

Agency 107

Washington State Health Care Authority

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2009-11 Expenditure Authority	288.1	365,069	270,443	635,512
Total Maintenance Level	286.7	271,099	386,259	657,358
Difference	(1.4)	(93,970)	115,816	21,846
Percent Change from Current Biennium	(0.5)%	(25.7)%	42.8%	3.4%
Performance Changes				
Increase Washington Health Program Capacity	12.1		49,501	49,501
Health Care Consolidation #	837.5	4,625,505	5,985,863	10,611,368
Reduce Health Clinic Grant program		(12,775)		(12,775)
Eliminate Basic Health Plan	(88.6)	(230,173)	(212,333)	(442,506)
Medicaid Transfer Cost Allocation		(1,946)	1,946	
Health Care Consolidation Executive Staff Efficiencies		(1,028)	(942)	(1,970)
Suspend Plan 1 Uniform COLA #		(307)	(384)	(691)
State Data Center Rate Increase		41	46	87
Subtotal	761.0	4,379,317	5,823,697	10,203,014
Total Proposed Budget	1,047.7	4,650,416	6,209,956	10,860,372
Difference	759.7	4,285,347	5,939,513	10,224,860
Percent Change from Current Biennium	263.7%	1,173.8%	2,196.2%	1,608.9%
Total Proposed Budget by Activity				
Administrative Activity	103.6	9,525	16,567	26,092
Community Health Services	6.0	12,368		12,368
Prescription Drug Program	4.5	1,402	884	2,286
Health Care Planning	21.4	3,618	16,010	19,628
Provide Subsidized Basic Health Coverage for Adults	(.1)		211	211
Provide Subsidized Basic Health Coverage for Children	.1			
PEBB Customer Service	42.2	886	13,067	13,953
Uniform Dental Plan			10,598	10,598
PEBB Plan Management	35.5		115,112	115,112
Insurance Safety Net	12.1	124	53,515	53,639
Medicaid Purchasing Administration (from DSHS to HCA)	822.5	4,622,493	5,983,992	10,606,485
Total Proposed Budget	1,047.7	4,650,416	6,209,956	10,860,372

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

HUMAN SERVICES - OTHER

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Increase Washington Health Program Capacity

Additional authority is provided to recognize increasing enrollment in the Washington Health Program, an insurance option that allows clients to pay the full premium for Basic Health Plan coverage. Operational costs will be paid by collecting an administrative fee. (Basic Health Plan Subscription Account-Nonappropriated)

Health Care Consolidation #

The Medicaid Purchasing Administration (MPA) is transferred out of the Department of Social and Health Services and merged into the Health Care Authority, effective July 1, 2011. This transfer focuses on the medical services provided by MPA. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Emergency Medical Services and Trauma Care Systems Trust Account, Hospital Safety Net Assessment Account)

Reduce Health Clinic Grant program

Grants provided to community health care clinics are reduced by one-half. The grants are used to support services provided to clients eligible for sliding scale fees.

Eliminate Basic Health Plan

The Basic Health Plan is eliminated. (General Fund-State, General Fund-Federal)

Medicaid Transfer Cost Allocation

The transfer of the Medicaid Purchasing Administration from the Department of Social and Health Services to the Health Care Authority changes the base upon which central administrative functions are allocated. Appropriations are adjusted to reflect the new administrative allocation anticipated once the transfer is complete. (General Fund-State, General Fund-Federal, State Health Care Authority Administrative Account)

Health Care Consolidation Executive Staff Efficiencies

With the consolidation of the Medicaid Purchasing Administration into the Health Care Authority, efficiencies are achieved at the senior staff level. (General Fund-State, General Fund-Federal)

ACTIVITY DESCRIPTIONS

Administrative Activity

This activity supports the administrative functions of the agency, which includes: Management of the organization; communication with clients and other stakeholders; financial and contract services; human resources management; information services support; agency medical director; and building management and safety issues. (General Fund-State; State Health Care Authority Administrative Account-State; General Fund-Federal)

Community Health Services

The Community Health Services activity provides funding to community health clinics through a direct grant program to promote and ensure access to medical and dental care for the under-insured, uninsured, and migrant populations. Funding is further targeted to provide services to those health clinic patients who are below 200 percent of poverty level, and to serve as the state's final safety net for low-income individuals. (General Fund-State)

Prescription Drug Program

This activity develops and maintains an evidence-based prescription drug program to identify preferred drugs for use by the participating state programs: Public Employee Health Plans, Department of Labor and Industries, and Department of Social and Health Services-Health and Recovery Services Administration. This activity also provides access to discounted prescription drugs for all Washington residents through a prescription drug purchasing consortium. (General Fund-State; State Health Care Authority Administrative Account-State, General Fund-Federal, Accident and Medical Aid Account)

Health Care Planning

The Health Care Authority engages in health care planning by developing and implementing new programs to improve the quality and efficiency of health care and health care delivery, interpreting federal legislation, and conducting purchasing and policy studies, surveys, evaluations, impact analyses, and planning in support of PEBB and BH. This includes the Health Technology Assessment (HTA) program, and projects related to health information technology (HIT), and medical homes. (General Fund-State, General Fund-Federal)

Provide Subsidized Basic Health Coverage for Adults

The Basic Health Plan provides a basic health insurance package for adults who are otherwise uninsured and whose income is at or below 200 percent of the federal poverty level. The state offers reduced rates for low-income Washington residents. Enrollees also pay portions of the premium costs based on income level and family size.

Provide Subsidized Basic Health Coverage for Children

The Basic Health Plan provides a basic health insurance package for children who are otherwise uninsured and whose family income is at or below 200 percent of the federal poverty level. The state offers reduced rates for low-income Washington residents. Enrollees also pay portions of the premium costs based on income level and family size.

PEBB Customer Service

The PEBB Customer Services Program manages eligibility for and administration of state health benefits by employing staff who:

- Answer questions, process enrollment requests, and verify eligibility for retired and self-paying PEBB members.
- Support and train employers to implement PEBB eligibility rules and manage their employees' accounts.
- Inform K-12s and state political subdivisions of their option to participate in PEBB.
- Inform legislation, and develop and revise eligibility rules that allow state employers to attract and retain workers within the state's budget.
- Implement related projects and produce communications that describe eligibility rules, enrollment processes, and state insurance benefits.

Coverage is provided to Washington State agency and higher-education employees, retirees, and their dependents; K-12 retirees; and employees and retirees of participating K-12 public school districts, educational service districts, and political subdivisions

Uniform Dental Plan

The Uniform Dental Plan (UDP) is a preferred provider organization administered by Washington Dental Service (WDS) on behalf of the Public Employees Benefits Board (PEBB). WDS provides enrollment services, claims processing, and customer service for enrollees in the UDP. (Uniform Dental Plan Benefits Administration Account-Nonappropriated)

HUMAN SERVICES - OTHER

PEBB Plan Management

PEBB Plan Management manages the design and delivery of the entire portfolio of PEBB plans, including health care, dental, life insurance, disability, and home and auto insurance. The PEBB Plan Management portfolio covers more than 300,000 employees, retirees, and dependents. (Health Care Authority Administrative Account-State, Uniform Medical Plan Benefits Administration Account-Nonappropriated)

Insurance Safety Net

As part of this activity, subsidies are provided to eligible Washington State Health Insurance Pool (WSHIP) members. As directed in state law (RCW 70.47), the program provides funding to reduce the cost of high-risk pool insurance for individuals whose income is less than 300 percent of the federal poverty level, who are between 50 and 64 years old, and who have been denied individual health insurance. (General Fund-State)

The Health Coverage Tax Credit (HCTC) is a federal program that pays a portion of the health plan premium for eligible enrollees in qualified health plans. The remaining portion is paid by the enrollee. In Washington State, Basic Health is a "qualified health plan" designated to offer HCTC coverage. The Internal Revenue Service (IRS) administers the HCTC program in partnership with other federal agencies, the states, and the private health care industry. (Basic Health Plan Subscription Account-State)

Medicaid Purchasing Administration (from DSHS to HCA)

Step one in the consolidation of the health care purchasing into a single agency.